

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
MONDAY, OCTOBER 17, 2016, AT 2:00 PM
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S400: City Council Community Projects, Programs, and Services Funding Allocation to Alpha Project for the Homeless for their Homeless Outreach Program. (Districts 3 and 9.)

ITEM DESCRIPTION:

Approval of the funding allocation from Council Districts 3, and 9 along with authorization from the City Council are requested to allow the Mayor, or his designee, to enter into an agreement with Alpha Project for the Homeless for an amount not to exceed \$130,000 for their Homeless Outreach Program.

COUNCIL PRESIDENT PRO TEM EMERALD'S RECOMMENDATION:

Adopt the following resolution:

(R-2017-186)

Declaring that the allocation described in this resolution is made for a public purpose;

Waving Council Policy 100-06, 3(g), which provides: "An organization may not apply to receive funding for an event or program which has already occurred, nor any capital improvement, goods, supplies, materials, or equipment which have already been purchased";

Authorizing and directing the Mayor, or his designee, to execute, for and on behalf of the City, a Community Projects, Programs, and Services FY 2015 City Council Allocations Agreement between the City of San Diego and the Alpha Project for the Homeless (Agreement) in an amount not to exceed \$130,000 for the Project described in this Resolution, under terms and conditions set forth in the Agreement;

Authorizing the Chief Financial Officer to expend an amount not to exceed:
\$50,000 from Council District 3: Fund No. 100000/Cost Center No. 1103110003
\$80,000 from Council District 9: Fund No. 100000/Cost Center No. 1109110009
to provide funds for the above referenced Agreement, contingent upon the Chief Financial Officer first furnishing one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

\$50,000 from CD3: Fund No. 100000/Cost Center No. 1103110003
\$80,000 from CD9: Fund No. 100000/Cost Center No. 1109110009
in Community Projects, Program, and Services Funding Allocations for Alpha Project's Homeless Outreach Team.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

None.

Flores

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Secondary Contact\Phone: Courtney Thomson\619-236-5918, MS 10A
City Attorney Contact: Berry, Jennifer L.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED:

ITEM-S401: Lease of the Property and Improvements located at 101 Ash Street, San Diego, CA 92101 (the former Semptra Building - APNs 533-424-11-00 and 533-424-14-00). (Downtown Community Area. District 3.)

ITEM DESCRIPTION:

Execute a 20-year Lease-To-Own Agreement between the City of San Diego and 101 Ash, LLC, for a lease for the real property and improvements at 101 Ash Street, San Diego, CA 92101 (the former Semptra Building – APNs 533-424-11-00 and 533-424-14-00) with ownership automatically transferring to the City of San Diego upon lease expiration.

STAFF’S RECOMMENDATION:

Introduce the following ordinance:

(O-2017-54)

Introduction of an Ordinance authorizing and directing the Mayor, or his designee, to execute, deliver, and effectuate the terms and conditions of that certain Lease Agreement, between the City of San Diego and 101 Ash, LLC, to commence on the date 101 Ash, LLC, acquires the fee title to the Property, to lease the real properties and all the improvements located at 101 Ash Street, in San Diego, California;

Authorizing the Chief Financial Officer to expend all funds for rent, operating expenses and as otherwise required by the Lease Agreement in an amount not to exceed \$4,183,448.50 for the remaining Fiscal Year 2017, from the General Fund 100000;

Authorizing the Chief Financial Officer to transfer an amount not to exceed \$1,921,000 from the Real Estate Assets Operating Department Budget to the Citywide Program Expenditures Department and expend these funds for rent, operating expenses, improvements and as otherwise required by the Lease Agreement for the remaining Fiscal Year 2017;

Authorizing the Chief Financial Officer to expend all funds for rent, operating expenses and as otherwise required by the Lease Agreement in a total amount not to exceed \$201,902,440, all contingent upon the adoption of each annual fiscal year Appropriation Ordinance and contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure of each year’s expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the Chief Financial Officer to deposit all rent revenues received from the parking facility at 101 Ash Street into General Fund 100000;

Authorizing the Chief Financial Officer to establish a restricted CIP fund for capital improvements relating specifically to 101 Ash Street, San Diego, CA 92101;

Authorizing the Mayor, or his designee, to execute and deliver all such agreements and all other instruments to effect and complete the transaction contemplated by this ordinance.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The total cost of the 20-year lease-to-own would not exceed \$201,902,440. Lease-to-own of 101 Ash Street vs. continuing to lease from the market will result in savings estimated to exceed \$44 million over the next 20 years in occupancy costs.

Fiscal Year 2017 General Fund costs are estimated to be \$4,183,448.50, for the lease-to-own Agreement between City and 101 Ash, LLC. This expense includes rent of \$2,673,633 and operating expenses of \$1,509,816.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

This item was heard at the Smart Growth and Land Use Committee meeting on September 21, 2016.

ACTION: Motion by Councilmember Gloria, second by Councilmember Sherman, to recommend Council introduce the ordinance.

VOTE: 4-0; Zapf-yea, Gloria-yea, Sherman-yea, Alvarez-yea.

The only change to the Council Report on this matter since committee is that the correct address is 101 Ash Street, San Diego, CA 92101, not 101 West Ash Street, San Diego, CA 92101.

Thompson/Villa

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